

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HJR 16**

March 24, 2011

**SUMMARY OF BILL:** Encourages the State Treasurer and the Board of Trustees of the Tennessee Consolidate Retirement System (TCRS) to examine investments of the retirement system to determine whether any of funds or assets are invested in companies operating in Sudan, to divest any investment in a company identified as operating in Sudan, and to prevent any future investment in a company operating in Sudan until the genocide in Darfur, Sudan has ended.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$129,800/One-Time**

**Increase Federal Expenditures - \$22,000/One-Time**

**Increase Local Expenditures - \$156,200/One-Time\***

**Assumptions:**

- Any increase in state expenditures to examine the holdings of the TCRS will not be significant and can be accommodated within existing resources without an increased appropriation or a reduced reversion.
- According to the Department of Treasury, the one-time costs associated with divestiture of the applicable assets will be approximately \$308,000. The market value of these assets is approximately \$154,000,000.
- Based on information provided by the TCRS, the divestment costs will be apportioned approximately 42.15 percent state, 7.14 percent federal, and 50.71 percent local government.
- The one-time increase in state expenditures will be \$129,822 ( $\$308,000 \times 42.15\%$ ).
- The one-time increase in federal expenditures will be \$21,991 ( $\$308,000 \times 7.14\%$ ).
- The one-time increase in local government expenditures will be \$156,187 ( $\$308,000 \times 50.71\%$ ).

\*Article II, Section 24 of the Tennessee Constitution provides that: *No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc